



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

April 23, 2013

KEN SAGAR, TREASURER  
IOWA DEMOCRATIC PARTY  
5661 FLEUR DRIVE  
DES MOINES, IA 50321

**Response Due Date**  
**05/28/2013**

IDENTIFICATION NUMBER: C00035600

REFERENCE: YEAR-END REPORT (11/27/2012 - 12/31/2012)

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 4 item(s):

1. Schedule A of your 2012 reports combined discloses transfers totaling \$215,562.73 from the Swing State Victory Fund, which is a joint fundraising committee affiliated with your committee. The sum of memo Schedule A is less than the total amount transferred. Please note that the sum of memo Schedule A supporting a transfer(s) from a joint fundraising committee should be greater than or equal to the amount of the transfer(s).

Each participating committee shall report its share for net proceeds received from the joint fundraising committee as a transfer-in on Schedule A. A memo Schedule A must be provided to itemize your committee's share of the gross contributions received through the joint fundraiser. The memo schedule should itemize each individual who has contributed an aggregate in excess of \$200 during the calendar year and provide the amount of unitemized contributions received. In addition, the memo schedule should itemize your committee's share of all contributions from political committees, regardless of amount. (11 CFR § 102.17(c)(8)(i)(B)) Please amend your report to include the missing Schedule A or provide an explanation for this apparent discrepancy.

2. Schedule A supporting Line 12 discloses a transfer(s)-in from the "Democratic Congressional Campaign Committee" and the "DNC SERVICES CORPORATION/DEMOCRATIC NATIONAL COMMI." Schedule B supporting Line 30(b) reflects payments for "Brochures (Not a public



## IOWA DEMOCRATIC PARTY

Page 2 of 3

communication)," "Buttons (Not a public communication)," "Flyers (Not a public communication)," "Exempt Sign," "Placards (Not a public communication)," "Script/List Printing (Volunteer Phonebank/Obama)," and "Stickers (not a public communication)." Please be advised that a state or local party committee may pay for campaign materials (such as pins, posters, bumper stickers and yard signs) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election and for voter drive activity conducted on behalf of the party's Presidential and Vice Presidential nominees. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.87 and 100.147 and to the Campaign Guide for Party Committees.

If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate. Please amend your report or provide clarifying information.

**3.** Schedule H3 of your report discloses a transfer(s) in from a non federal account(s) for "Administrative expenses" which appears to exceed the permissible amount(s) indicated by your allocation ratio for this activity/event. Please be advised that transfers for allocated activity must not exceed the non federal share of the joint disbursements and that these transfers must be made within a 70 day time period: no more than 10 days before or 60 days after payment to the vendor. (11 CFR §§106.6(e)(2) and 106.7(f)(2)) Please clarify the nature of this transfer(s) in from the non federal account.

The Commission recommends that you immediately transfer the total excessive amount received by your federal account back to your non federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

**4.** Schedule A supporting Line 12 discloses a transfer(s)-in from the "Democratic Congressional Campaign Committee," and the "DNC SERVICES



IOWA DEMOCRATIC PARTY

Page 3 of 3

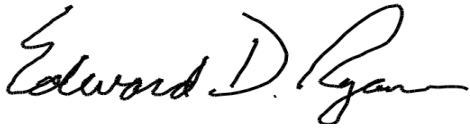
CORPORATION/DEMOCRATIC NATIONAL COMMI." Schedule H6 supporting Line 30(a) reflects payments for Federal Election Activity. Please be advised that under 11 CFR §300.34, a State, district or local party committee must not use any Federal funds transferred to it from a national party committee or any other State, district or local party committee, as the Federal component of an expenditure or disbursement for Federal Election Activity. Furthermore, your committee must itself raise the Federal component of expenditure or disbursement allocated between Federal and Levin funds.

Please clarify whether the transfer(s)-in was used for the subsequent payments for Federal Election Activity. In addition, please clarify the procedures you are currently using to ensure that Federal funds transferred to your committee from national, State, district and local party committees are not being used for Federal Election Activity.

**Please note, you will not receive an additional notice from the Commission on this matter.** Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1144.

Sincerely,



Edward Ryan  
Senior Campaign Finance Analyst  
Reports Analysis Division